

Senate Chamber, Atlanta, Georgia  
Monday, March 20, 2006  
Thirty-fourth Legislative Day

The Senate met pursuant to adjournment at 1:00 p.m. today and was called to order by the President.

Senator Balfour of the 9th reported that the Journal of the previous legislative day had been read and found to be correct.

By unanimous consent, the reading of the Journal was dispensed with.

The Journal was confirmed.

The following message was received from the House through Mr. Rivers, the Clerk thereof:

Mr. President:

The House has passed by the requisite constitutional majority the following Bills of the House:

HB 1448. By Representative Bridges of the 10th:

A BILL to be entitled an Act to amend an Act reincorporating and providing a new charter for the City of Baldwin, approved March 28, 1986, (Ga. L. 1986, p. 5578), as amended, so as to change and extend the corporate limits of such city; to repeal conflicting laws; and for other purposes.

HB 1570. By Representatives Mumford of the 95th, Holt of the 112th, Lunsford of the 110th, Walker of the 107th and May of the 111th:

A BILL to be entitled an Act to amend an Act creating the Alcovy Judicial Circuit, approved March 9, 1972 (Ga. L. 1972, p. 152), as amended, particularly by an Act approved April 5, 1995 (Ga. L. 1995, p. 4219), and an Act approved April 5, 1995 (Ga. L. 1995, p. 4221), so as to provide an increase in the salary supplement for the superior court judges; to provide for related matters; to provide an effective date; to repeal conflicting laws; and for other purposes.

- HB 1585. By Representatives Lane of the 167th, Keen of the 179th and Hill of the 180th:

A BILL to be entitled an Act to create the Brunswick-Glynn County Joint Water and Sewer Commission; to provide a short title; to define certain terms; to provide for membership, appointment, terms, cooperation, quorums, and officers of the commission; to provide for a director; to provide for purposes; to provide for powers; to provide for ordinance proposals; to provide for tax exemption; to provide for construction; to provide for cumulative nature of powers; to provide an effective date; to provide for contingent repeal; to repeal conflicting laws; and for other purposes.

- HB 1610. By Representatives England of the 108th and Benton of the 31st:

A BILL to be entitled an Act to amend an Act reincorporating the City of Winder, Georgia, in the County of Barrow, approved March 25, 1974 (Ga. L. 1974, p. 3476), as amended, so as to annex certain territory into the City of Winder and thereby change the corporate limits of such city; to repeal conflicting laws; and for other purposes.

- HB 1611. By Representatives Forster of the 3rd, Dickson of the 6th and Neal of the 1st:

A BILL to be entitled an Act to amend an Act creating a board of elections and registration for Catoosa County, approved March 22, 1990 (Ga. L. 1990, p. 4371), as amended, particularly by an Act approved June 3, 2003 (Ga. L. 2003, p. 4251), so as to correct the terms of office of members of the board; to correct a typographical error; to provide for related matters; to repeal conflicting laws; and for other purposes.

- HB 1612. By Representatives Forster of the 3rd and Neal of the 1st:

A BILL to be entitled an Act to amend an Act creating a board of utilities commissioners for Catoosa County, approved March 17, 1956 (Ga. L. 1956, p. 3499), as amended, particularly by an Act approved April 16, 1999 (Ga. L. 1999, p. 4416), so as to provide for a limit on the number of terms which members of such board may serve; to repeal conflicting laws; and for other purposes.

- HB 1613. By Representatives Murphy of the 23rd, Knox of the 24th and Amerson of the 9th:

A BILL to be entitled an Act to amend an Act creating the State Court of Forsyth County, approved April 15, 1996 (Ga. L. 1996, p. 4558), as amended, particularly by an Act approved May 1, 2002 (Ga. L. 2002, p. 5579), so as to change the compensation of the judges of the State Court of Forsyth County; to provide for related matters; to provide for an effective date; to repeal conflicting laws; and for other purposes.

- HB 1614. By Representative Barnard of the 166th:

A BILL to be entitled an Act to amend an Act creating a new charter for the City of Glennville, approved August 21, 1911 (Ga. L. 1911, p. 1228), as amended, particularly by an Act approved March 22, 1990 (Ga. L. 1990, p. 4466), so as to change the corporate limits of the city; to repeal conflicting laws; and for other purposes.

- HB 1615. By Representatives Buckner of the 76th, Dodson of the 75th, Jordan of the 77th, Abdul-Salaam of the 74th and Sinkfield of the 60th:

A BILL to be entitled an Act to establish the "Clayton County Commission on Children and Youth"; to provide for matters relative thereto; to provide an effective date; to provide for automatic repeal of this Act; to repeal conflicting laws; and for other purposes.

- HB 1616. By Representatives Scott of the 2nd and Neal of the 1st:

A BILL to be entitled an Act to provide a homestead exemption from Walker County school district ad valorem taxes for educational purposes in the amount of \$50,000.00 of the assessed value of the homestead after a three-year phase in period for residents of that school district who are 70 years of age or older; to provide for definitions; to specify the terms and conditions of the exemption and the procedures relating thereto; to provide for applicability; to provide for a referendum, effective dates, and automatic repeal; to repeal conflicting laws; and for other purposes.

- HB 1617. By Representatives Buckner of the 76th, Dodson of the 75th, Jordan of the 77th, Abdul-Salaam of the 74th, Sinkfield of the 60th and others:

A BILL to be entitled an Act to create a Heritage Trail Commission for Clayton County and to provide for its powers and duties; to provide for the composition of the commission and the selection and appointment of

members; to provide for meetings, procedures, and operational bylaws; to provide for findings; to provide for automatic repeal; to provide for dissolution; to repeal conflicting laws; and for other purposes.

The House has passed by the requisite constitutional majority the following Bill of the Senate:

SB 609. By Senator Douglas of the 17th:

A BILL to be entitled an Act to reincorporate and provide a new charter for the City of Hampton in Henry County, Georgia; to provide for boundaries and powers of the city; to provide for a governing authority of such city and the powers, duties, authority, election, terms, method of filling vacancies, compensation, qualifications, prohibitions, and removal from office relative to members of such governing authority; to provide for inquiries and investigations; to provide for organization and procedures; to provide for ordinances and codes; to provide for the office of mayor and certain duties and powers relative to the office of mayor; to provide for administrative responsibilities; to provide an effective date; to repeal conflicting laws; and for other purposes.

The House has passed, as amended, by the requisite constitutional majority the following Bills of the Senate:

SB 209. By Senators Stoner of the 6th, Butler of the 55th, Pearson of the 51st and Hill of the 32nd:

A BILL to be entitled an Act to amend Chapter 2 of Title 46 of the Official Code of Georgia Annotated, relating to the Public Service Commission, so as to change the time period for issuance of a commission order after a hearing regarding a gas supply plan and adjustment factors filed by a gas utility; to repeal conflicting laws, and for other purposes.

SB 472. By Senator Rogers of the 21st:

A BILL to be entitled an Act to amend Title 45 of the Official Code of Georgia Annotated, relating to public officers and employees, so as to revise and change the employees' suggestion and award program; to provide for the meritorious award program; to provide for definitions; to provide for establishment and implementation; to provide for powers, duties, and authority of the state personnel board and the commissioner of personnel administration; to provide for agency committees; to provide for

awards; to provide for applicability and nonapplicability of certain retirement benefit provisions with respect to such awards; to provide for related matters; to provide an effective date; to repeal conflicting laws; and for other purposes.

The following House legislation was read the first time and referred to committee:

HB 1448. By Representative Bridges of the 10th:

A BILL to be entitled an Act to amend an Act reincorporating and providing a new charter for the City of Baldwin, approved March 28, 1986, (Ga. L. 1986, p. 5578), as amended, so as to change and extend the corporate limits of such city; to repeal conflicting laws; and for other purposes.

Referred to the State and Local Governmental Operations Committee.

HB 1570. By Representatives Mumford of the 95th, Holt of the 112th, Lunsford of the 110th, Walker of the 107th and May of the 111th:

A BILL to be entitled an Act to amend an Act creating the Alcovy Judicial Circuit, approved March 9, 1972 (Ga. L. 1972, p. 152), as amended, particularly by an Act approved April 5, 1995 (Ga. L. 1995, p. 4219), and an Act approved April 5, 1995 (Ga. L. 1995, p. 4221), so as to provide an increase in the salary supplement for the superior court judges; to provide for related matters; to provide an effective date; to repeal conflicting laws; and for other purposes.

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HB 1616. By Representatives Scott of the 2nd and Neal of the 1st:

A BILL to be entitled an Act to provide a homestead exemption from Walker County school district ad valorem taxes for educational purposes in the amount of \$50,000.00 of the assessed value of the homestead after a three-year phase in period for residents of that school district who are 70 years of age or older; to provide for definitions; to specify the terms and conditions of the exemption and the procedures relating thereto; to provide for applicability; to provide for a referendum, effective dates, and automatic repeal; to repeal conflicting laws; and for other purposes.

Referred to the State and Local Governmental Operations Committee.

HB 1617. By Representatives Buckner of the 76th, Dodson of the 75th, Jordan of the 77th, Abdul-Salaam of the 74th, Sinkfield of the 60th and others:

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findings; to provide for automatic repeal; to provide for dissolution; to repeal conflicting laws; and for other purposes.

Referred to the State and Local Governmental Operations Committee.

The following committee reports were read by the Secretary:

Mr. President:

The Appropriations Committee has had under consideration the following legislation and has instructed me to report the same back to the Senate with the following recommendation:

HB 1027    Do Pass by substitute  
HB 1164    Do Pass  
HB 1373    Do Pass by substitute

Respectfully submitted,  
Senator Hill of the 4th District, Chairman

Mr. President:

The Finance Committee has had under consideration the following legislation and has instructed me to report the same back to the Senate with the following recommendation:

HB 848	Do Pass by substitute	HB 1249	Do Pass
HB 1121	Do Pass	HB 1361	Do Pass

Respectfully submitted,  
Senator Cagle of the 49th District, Chairman

Mr. President:

The Insurance and Labor Committee has had under consideration the following legislation and has instructed me to report the same back to the Senate with the following recommendation:

HB 1126	Do Pass	HB 1405	Do Pass
HB 1240	Do Pass	HB 1444	Do Pass
HB 1304	Do Pass by substitute	HB 1456	Do Pass by substitute
HB 1326	Do Pass	HB 1484	Do Pass
HB 1372	Do Pass by substitute		

Respectfully submitted,  
Senator Hudgens of the 47th District, Chairman



Mr. President:

The Natural Resources and the Environment Committee has had under consideration the following legislation and has instructed me to report the same back to the Senate with the following recommendation:

HB 724     Do Pass  
HB 1319    Do Pass

HR 1551    Do Pass  
SR 1133    Do Pass

Respectfully submitted,  
Senator Tolleson of the 20th District, Chairman

Mr. President:

The Regulated Industries and Utilities Committee has had under consideration the following legislation and has instructed me to report the same back to the Senate with the following recommendation:

HB 1385    Do Pass by substitute

Respectfully submitted,  
Senator Seabaugh of the 28th District, Chairman

Mr. President:

The Rules Committee has had under consideration the following legislation and has instructed me to report the same back to the Senate with the following recommendation:

HB 1211    Do Pass  
SR 1114    Do Pass

Respectfully submitted,  
Senator Balfour of the 9th District, Chairman

Mr. President:

The Special Judiciary Committee has had under consideration the following legislation and has instructed me to report the same back to the Senate with the following recommendation:

HB 535     Do Pass  
HB 1273    Do Pass  
HB 1282    Do Pass

Respectfully submitted,  
Senator Adelman of the 42nd District, Vice Chairman

Mr. President:

The State and Local Governmental Operations Committee has had under consideration the following legislation and has instructed me to report the same back to the Senate with the following recommendation:

HB 595	Do Pass as amended	SB 668	Do Pass
HB 1457	Do Pass	SB 669	Do Pass
HB 1494	Do Pass	SB 670	Do Pass
HB 1519	Do Pass	SB 671	Do Pass
HB 1521	Do Pass	SB 672	Do Pass
HB 1522	Do Pass	SB 673	Do Pass
HB 1558	Do Pass	SB 674	Do Pass
HB 1574	Do Pass	SB 675	Do Pass
HB 1584	Do Pass	SB 676	Do Pass
SB 659	Do Pass	SB 677	Do Pass
SB 660	Do Pass	SB 678	Do Pass
SB 666	Do Pass	SB 680	Do Pass
SB 667	Do Pass		

Respectfully submitted,  
Senator Wiles of the 37th District, Chairman

Mr. President:

The Transportation Committee has had under consideration the following legislation and has instructed me to report the same back to the Senate with the following recommendation:

HB 654	Do Pass	HB 1275	Do Pass
HB 1090	Do Pass	HR 1169	Do Pass
HB 1106	Do Pass	HR 1491	Do Pass by substitute
HB 1190	Do Pass	HR 1661	Do Pass

Respectfully submitted,  
Senator Stephens of the 27th District, Chairman

The following legislation was read the second time:

HB 363	HB 1019	HB 1217	HB 1241	HB 1253	HB 1325
HB 972	HB 1075				

Senator Seay of the 34th asked unanimous consent that Senator Miles of the 43rd be excused. The consent was granted, and Senator Miles was excused.

Senator Heath of the 31st asked unanimous consent that Senator Bulloch of the 11th be excused. The consent was granted, and Senator Bulloch was excused.

The roll was called and the following Senators answered to their names:

Adelman	Hill,Judson	Starr
Balfour	Hooks	Staton
Brown	Hudgens	Stephens
Butler	Johnson	Stoner
Cagle	Jones	Tarver
Carter	Kemp	Tate
Chance	Me V Bremen	Thomas,D
Chapman	Moody	Thomas,R
Douglas	Pearson	Thompson,C
Fort	Powell	Thompson,S
Goggans	Reed	Tolleson
Golden	Rogers	Unterman
Grant	Schaefer	Weber
Harbison	Seabaugh	Whitehead
Harp	Seay	Wiles
Heath	Shafer,D	Williams
Henson	Smith	Zamarripa
Hill,Jack		

Not answering were Senators:

Bulloch (Excused)	Hamrick	Miles (Excused)
Mullis		

The members pledged allegiance to the flag.

Senator Thompson of the 5th introduced the chaplain of the day, Imam Suleyman Eris of Norcross, who offered scripture reading and prayer.

Senator Schaefer of the 50th introduced the doctor of the day, Dr. Marc Chetta.

Senator Cagle of the 49th recognized members of the Leukemia Lymphoma Society, commended by SR 1062, adopted previously.

The following resolutions were read and adopted:

SR 1205. By Senators Hill of the 32nd, Adelman of the 42nd and Weber of the 40th:

A RESOLUTION commending the Epstein School; and for other purposes.

SR 1206. By Senators Hill of the 32nd, Adelman of the 42nd and Weber of the 40th:

A RESOLUTION commending the Weber School; and for other purposes.

SR 1207. By Senators Hill of the 32nd, Adelman of the 42nd and Weber of the 40th:

A RESOLUTION commending the Alfred and Adele Davis Academy; and for other purposes.

SR 1208. By Senator Butler of the 55th:

A RESOLUTION commending Avondale High School Lady Blue Devils basketball team for winning the Class AAA state basketball championship; and for other purposes.

SR 1209. By Senator Goggans of the 7th:

A RESOLUTION remembering and honoring the achievements and sacrifice made by Private James Boggan; and for other purposes.

SR 1210. By Senators Kemp of the 46th and Hudgens of the 47th:

A RESOLUTION expressing regret at the passing of Dr. Sykes E. "Si" Trieb; and for other purposes.

SR 1211. By Senators Kemp of the 46th and Hudgens of the 47th:

A RESOLUTION commending Upshaw C. Bentley, Jr.; and for other purposes.

SR 1212. By Senator Kemp of the 46th:

A RESOLUTION expressing regret at the passing of JoeAnn Willoughby Mitchell; and for other purposes.

SR 1213. By Senator Hill of the 4th:

A RESOLUTION expressing regret at the passing of Dr. Willie Grier Todd; and for other purposes.

SR 1214. By Senator Bulloch of the 11th:

A RESOLUTION recognizing the contributions of American Indians and the work of the Council on American Indian Concerns; and for other purposes.

SR 1215. By Senator Adelman of the 42nd:

A RESOLUTION congratulating Mr. and Mrs. H. Glenn Clark on the occasion of their 50th wedding anniversary; and for other purposes.

SR 1216. By Senator Adelman of the 42nd:

A RESOLUTION commending Starr Zalanka; and for other purposes.

SR 1217. By Senator Adelman of the 42nd:

A RESOLUTION commending Beth Sullivan; and for other purposes.

SR 1218. By Senator Adelman of the 42nd:

A RESOLUTION commending Suzanne B. Sumrall; and for other purposes.

SR 1219. By Senator Adelman of the 42nd:

A RESOLUTION commending Jerrie Page Hawkins; and for other purposes.

SR 1220. By Senator Adelman of the 42nd:

A RESOLUTION commending Patricia D. Solomon; and for other purposes.

SR 1221. By Senator Adelman of the 42nd:

A RESOLUTION commending Penny Ratliff; and for other purposes.

SR 1222. By Senator Adelman of the 42nd:

A RESOLUTION commending Jerold Donovan; and for other purposes.

SR 1223. By Senator Adelman of the 42nd:

A RESOLUTION commending Susan Taquechel; and for other purposes.

SR 1224. By Senator Adelman of the 42nd:

A RESOLUTION commending Gwendolyn Weaver; and for other purposes.

SR 1225. By Senator Meyer von Bremen of the 12th:

A RESOLUTION commending Mr. Eddie McCarty and the Albany Area Arts Council and encouraging continued support of the council; and for other purposes.

SR 1227. By Senator Rogers of the 21st:

A RESOLUTION commending Michael Clark on his selection as the STAR student for Lassiter High School; and for other purposes.

SR 1228. By Senator Rogers of the 21st:

A RESOLUTION commending Tyler K. Smith on his selection as the STAR student for Kell High School; and for other purposes.

SR 1229. By Senator Rogers of the 21st:

A RESOLUTION commending Ryan Patrick Smith on his selection as the STAR student for Kell High School; and for other purposes.

SR 1230. By Senator Rogers of the 21st:

A RESOLUTION commending Livia Zarnescue on her selection as the STAR student for Pope High School; and for other purposes.

SR 1231. By Senator Rogers of the 21st:

A RESOLUTION commending Jennifer Newby on her selection as the STAR student for Woodstock High School; and for other purposes.

SR 1232. By Senator Rogers of the 21st:

A RESOLUTION commending Tyler Jackson on his selection as the STAR student for Sequoyah High School; and for other purposes.

SR 1233. By Senator Rogers of the 21st:

A RESOLUTION commending James Hicks on his selection as the STAR student for Etowah High School; and for other purposes.

SR 1226. By Senators Meyer von Bremen of the 12th, Brown of the 26th, Jones of the 10th, Butler of the 55th and Fort of the 39th:

A RESOLUTION commending Lieutenant Colonel Twala Denise Mathis; and for other purposes.

Senator Meyer von Bremen of the 12th introduced Lieutenant Colonel Twala Denise Mathis, commended by SR 1226. Lieutenant Colonel Mathis addressed the Senate briefly.

Senator Carter of the 13th asked unanimous consent that the following bill be withdrawn from the Senate Judiciary Committee and committed to the Senate Public Safety and Homeland Security Committee:

HB 1193. By Representatives Knight of the 126th, Rice of the 51st, Coleman of the 97th, Ralston of the 7th and Talton of the 145th:

A BILL to be entitled an Act to amend Article 2 of Chapter 13 of Title 16 of the Official Code of Georgia Annotated, relating to criminal offenses involving controlled substances, so as to prohibit owning or operating vehicles containing false or secret compartments; to prohibit installing false or secret compartments in a vehicle; to subject such vehicles to forfeiture; to provide a penalty for violations; to provide for related matters; to provide an effective date; to provide for applicability; to repeal conflicting laws; and for other purposes.

The consent was granted, and HB 1193 was committed to the Senate Public Safety and Homeland Security Committee.

Senator Meyer von Bremen of the 12th asked unanimous consent that Senator Golden of the 8th be excused. The consent was granted, and Senator Golden was excused.

Senator Heath of the 31st asked unanimous consent that Senator Hill of the 32nd be excused. The consent was granted, and Senator Hill was excused.

Senator Goggans of the 7th asked unanimous consent that Senator Chapman of the 3rd be excused. The consent was granted, and Senator Chapman was excused.

The following local, uncontested legislation, favorably reported by the committee as listed on the Local Consent Calendar, was put upon its passage:

### **SENATE LOCAL CONSENT CALENDAR**

Monday, March 20, 2006  
Thirty-fourth Legislative Day

(The names listed are the Senators whose districts are affected by the legislation.)

SB 659                      Grant of the 25th  
**CITY OF MADISON**

A BILL to be entitled an Act to amend an Act providing a new charter for the City of Madison, approved October 6, 1891 (Ga. L. 1890-91, Vol. II, p. 827), as amended, so as to amend, consolidate, revise, and restate such charter and amendatory Acts amending such charter; to provide for related matters; to repeal conflicting laws; and for other purposes.

SB 660                      Bulloch of the 11th  
**GRADY COUNTY**

A BILL to be entitled an Act to amend an Act creating a new board of education of Grady County, approved March 5, 1968 (Ga. L. 1968, p. 2120), as amended, so as to provide for the compensation of members of the board; to provide for related matters; to repeal conflicting laws; and for other purposes.

SB 666                      Grant of the 25th  
**CITY OF MILLEDGEVILLE**

A BILL to be entitled an Act to amend an Act providing a new charter for the City of Milledgeville, approved December 15, 1900 (Ga. L. 1900, p. 345), as amended, particularly by an Act approved August 19, 1916 (Ga. L. 1916, p. 819), and an Act approved March 5, 1976 (Ga. L. 1976, p. 2820), and an Act approved May 22, 2003 (Ga. L. 2003, p. 3661), so as to provide for the transaction of business of the city council; to establish a quorum and the votes necessary to pass or enact any matter; to provide for meetings of the city council and notice thereof; to provide for the duties and powers of the mayor; to provide for the temporary appointment of individuals to act as city manager under certain circumstances; to



provide additional duties of the city manager; to provide for related matters; to repeal conflicting laws; and for other purposes.

SB 667

Seay of the 34th  
Starr of the 44th  
**CLAYTON COUNTY**

A BILL to be entitled an Act to amend an Act providing for the appointment of the chief magistrate of Clayton County, approved March 26, 1984 (Ga. L. 1984, p. 4411), as amended, particularly by an Act approved April 2, 1998 (Ga. L. 1998, p. 4262), so as to provide a salary for the chief magistrate, to provide an effective date; to repeal conflicting laws; and for other purposes.

SB 668

Seay of the 34th  
Starr of the 44th  
**CLAYTON COUNTY**

A BILL to be entitled an Act to amend an Act placing the judge of the Probate Court of Clayton County on an annual salary, approved February 7, 1950 (Ga. L. 1950, p. 2068), as amended, particularly by an Act approved April 13, 2001 (Ga. L. 2001, p. 4331), so as to change the compensation of the judge of the probate court; to provide for an effective date; to repeal conflicting laws; and for other purposes.

SB 669

Seay of the 34th  
Starr of the 44th  
**CLAYTON COUNTY**

A BILL to be entitled an Act to make provisions related to the compensation of the judge of the juvenile court of the Clayton Judicial Circuit; to provide for the compensation of the judge from state funds and from funds of Clayton County; to provide an effective date; to repeal conflicting laws; and for other purposes.

SB 670

Seay of the 34th  
Starr of the 44th  
**CLAYTON COUNTY**

A BILL to be entitled an Act to amend an Act creating the State Court of Clayton County, approved January 28, 1964 (Ga. L. 1964, p. 2032), as amended, so as to provide that the solicitor-general of

said court may employ such assistant solicitors-general, deputy solicitors-general, or other attorneys, investigators, paraprofessionals, clerical assistants, and other employees or independent contractors as may be authorized by the Board of Commissioners of Clayton County; to provide for compensation; to provide for qualifications; to repeal conflicting laws; and for other purposes.

SB 671

Seay of the 34th  
Starr of the 44th  
**CLAYTON COUNTY**

A BILL to be entitled an Act to amend an Act changing the composition and manner of selection of the Board of Education of Clayton County, approved April 12, 1982 (Ga. L. 1982, p. 4431), as amended, particularly by an Act approved April 9, 1999 (Ga. L. 1999, p. 4130), so as to change the compensation of the chairperson and members of such board; to provide an effective date; to repeal conflicting laws; and for other purposes.

SB 672

Seay of the 34th  
Starr of the 44th  
**CLAYTON COUNTY**

A BILL to be entitled an Act to amend an Act consolidating the offices of tax receiver and tax collector of Clayton County into the office of tax commissioner, approved August 18, 1925 (Ga. L. 1925, p. 600), as amended, particularly by an Act approved April 13, 2001 (Ga. L. 2001, p. 4338), so as to change the provisions relating to the salary of the tax commissioner; to provide for an effective date; to repeal conflicting laws; and for other purposes.

SB 673

Seay of the 34th  
Starr of the 44th  
**CLAYTON JUDICIAL CIRCUIT**

A BILL to be entitled an Act to amend an Act providing for a supplement to the salaries of the judges of the superior court of the Clayton Judicial Circuit, approved April 10, 1969 (Ga. L. 1969, p. 353), as amended, particularly by an Act approved April 16, 1999 (Ga. L. 1999, p. 4670), so as to increase the county supplement to the state salary of said judges; to provide for an effective date; to repeal conflicting laws; and for other purposes.

SB 674

Seay of the 34th  
Starr of the 44th  
**CLAYTON COUNTY**

A BILL to be entitled an Act to amend an Act placing the sheriff and clerk of the Superior Court of Clayton County on an annual salary, approved February 25, 1949 (Ga. L. 1949, p. 1910), as amended, particularly by an Act approved April 13, 2001 (Ga. L. 2001, p. 4335), so as to increase the salary of the clerk of the Superior Court of Clayton County; to provide for an effective date; to repeal conflicting laws; and for other purposes.

SB 675

Seay of the 34th  
Starr of the 44th  
**CLAYTON COUNTY**

A BILL to be entitled an Act to amend an Act creating the State Court of Clayton County, approved January 28, 1964 (Ga. L. 1964, p. 2032), as amended, particularly by an Act approved April 13, 2001 (Ga. L. 2001, p. 4327), so as to provide for an increase in the compensation of the clerk of the state court; to provide for an effective date; to repeal conflicting laws; and for other purposes.

SB 676

Seay of the 34th  
Starr of the 44th  
**CLAYTON COUNTY**

A BILL to be entitled an Act to amend an Act placing the sheriff and clerk of the Superior Court of Clayton County on an annual salary, approved February 25, 1949 (Ga. L. 1949, p. 1910), as amended, particularly by an Act approved April 13, 2001 (Ga. L. 2001, p. 4342), so as to change the provisions relating to the compensation of the sheriff; to provide for an effective date; to repeal conflicting laws; and for other purposes.

SB 677

Seay of the 34th  
Starr of the 44th  
**CLAYTON COUNTY**

A BILL to be entitled an Act to amend an Act creating the State Court of Clayton County, approved January 28, 1964 (Ga. L. 1964, p. 2032), as amended, particularly by an Act approved March 25, 1994 (Ga. L. 1994, p. 4138), and an Act approved April 16, 1999

(Ga. L. 1999, p. 4665), so as to provide for the salaries of the judges of the state court; to provide for the salary of the solicitor-general of the state court; to provide for a county supplement; to provide conditions for an effective date; to repeal conflicting laws; and for other purposes.

SB 678

Seay of the 34th

Starr of the 44th

**CLAYTON JUDICIAL CIRCUIT**

A BILL to be entitled an Act to amend an Act providing a county supplement to the state salary of the district attorney of the Clayton Judicial Circuit, approved March 4, 1977 (Ga. L. 1977, p. 2856), as amended, particularly by an Act approved April 9, 1999 (Ga. L. 1999, p. 4127), so as to change the amount of such county supplement; to provide for an effective date; to repeal conflicting laws; and for other purposes.

SB 680

Bulloch of the 11th

**DECATUR COUNTY**

A BILL to be entitled an Act to amend an Act relating to the board of commissioners of Decatur County, approved March 4, 1935 (Ga. L. 1935, p. 630), as amended, so as to restate and revise the provisions of said Act; to provide for a comprehensive restatement; to change provisions relating to the chairperson and vice chairperson of the board and their selection, service, and powers and duties; to change provisions relating to meetings, a quorum, and voting; to modernize certain provisions and language and omit certain obsolete provisions; to provide for other related matters; to repeal conflicting laws; and for other purposes.

HB 1457

Thompson of the 5th

Balfour of the 9th

Weber of the 40th

Henson of the 41st

Unterman of the 45th

Shafer of the 48th

Butler of the 55th

**GWINNETT COUNTY**

A BILL to be entitled an Act to amend an Act to continue and recreate the State Court of Gwinnett County, approved March 23,

1977 (Ga. L. 1977, p. 3331), as amended, so as to change the terms of court; to provide for related matters; to provide an effective date; to repeal conflicting laws; and for other purposes.

HB 1494

Grant of the 25th  
**MORGAN COUNTY**

A BILL to be entitled an Act to create a board of elections and registration for Morgan County and to provide for its powers and duties; to provide for definitions; to provide for the composition of the board and the selection and appointment of members; to provide for the qualification and terms of members; to provide for employees of the board; to provide for meetings, procedures, and vacancies; to relieve certain officers of powers and duties and to provide for the transfer of functions to the newly created board; to provide for compensation of personnel; to provide for offices and equipment; to provide for construction; to provide for the board's performance of certain functions and duties for certain municipalities; to provide for the submission of this Act for approval pursuant to Section 5 of the federal Voting Rights Act of 1965, as amended; to provide for related matters; to provide an effective date; to repeal conflicting laws; and for other purposes.

HB 1519

Tolleson of the 20th  
**CITY OF DUDLEY**

A BILL to be entitled an Act to amend an Act providing a new charter for the City of Dudley, Georgia, in the County of Laurens, approved February 18, 1977 (Ga. L. 1977, p. 2657), as amended, so as to annex certain territory into the City of Dudley and thereby change the corporate limits of such city; to repeal conflicting laws; and for other purposes.

HB 1521

Tolleson of the 20th  
**CITY OF DUBLIN**

A BILL to be entitled an Act to amend an Act providing a new charter for the City of Dublin, Georgia, in the County of Laurens, approved April 11, 1979 (Ga. L. 1979, p. 3568), as amended, particularly by an Act approved March 26, 1987 (Ga. L. 1987, p. 4810), an Act approved March 20, 1990 (Ga. L. 1990, p. 4073), and

an Act approved October 1, 2001 (Ga. L. Ex. Sess. 2001, p. 665), so as to change the corporate limits of the city; to repeal conflicting laws; and for other purposes.

HB 1522

Tolleson of the 20th  
**CITY OF EAST DUBLIN**

A BILL to be entitled an Act to amend an Act providing a charter for the City of East Dublin, approved April 9, 1981 (Ga. L. 1981, p. 4645), as amended, particularly by an Act approved May 17, 2004 (Ga. L. 2004, p. 3769), so as to change the corporate limits of the city; to repeal conflicting laws; and for other purposes.

HB 1558

Powell of the 23rd  
**CITY OF SYLVANIA**

A BILL to be entitled an Act to amend an Act to incorporate and to grant a new charter to the City of Sylvania, approved March 1, 1963 (Ga. L. 1963, p. 2030), as amended, so as to change the corporate boundaries of such city; to provide for related matters; to provide an effective date; to repeal conflicting laws; and for other purposes.

HB 1584

Grant of the 25th  
**MORGAN COUNTY**

A BILL to be entitled an Act to create the Morgan County Building Authority; to provide for a short title and legislative findings; to confer powers and impose duties on the authority; to provide for the membership and the appointment of members of the authority and their terms of office, qualifications, duties, powers, and compensation; to provide for vacancies, organization, meetings, and expenses; to provide for definitions; to provide for revenue bonds and their negotiability, sale, and use of proceeds from such sales; to provide for conditions for issuance; to prohibit the pledge of credit for the payment of bonds; to provide for trust indentures and a sinking fund; to provide for payment of bond proceeds; to provide for liberal construction; to provide for severability; to provide an effective date; to provide for related matters; to repeal conflicting laws; and for other purposes.

**Pursuant to Article VII, Section II, Paragraph IV of the Constitution, the following local bill relating to homestead exemptions requires a two-thirds roll-call vote for passage:**

HB 595 Thompson of the 5th  
Jones of the 10th  
Weber of the 40th  
Henson of the 41st  
Adelman of the 42nd  
Miles of the 43rd  
Butler of the 55th  
**DEKALB COUNTY**

A BILL to be entitled an Act to provide for a homestead exemption from certain DeKalb County ad valorem taxes for county purposes in an amount equal to the amount by which the current year assessed value of a homestead exceeds the base year assessed value of such homestead; to provide for definitions; to specify the terms and conditions of the exemption and the procedures relating thereto; to provide for applicability; to provide for a referendum, effective dates, and automatic repeal; to repeal conflicting laws; and for other purposes.

**(AMENDMENT)**

Pursuant to Senate Rule 4-2.9(b), Senator Butler of the 55th filed the following objection:

As provided in Senate Rule 4-2.9(b), we, the undersigned Senators, hereby file an objection to HB 595, which is on the Local Consent Calendar for today, and hereby request that it be moved to the Senate Local Contested Calendar.

/s/ Butler of the 55th  
/s/ Henson of the 41st  
/s/ Thomas of the 2nd  
Date: March 20, 2006

Pursuant to Senate Rule 4-2.9(b), HB 595 was placed on the Senate Local Contested Calendar for today.

The report of the committee, which was favorable to the passage of the local legislation as reported, was agreed to.

On the passage of the legislation, a roll call was taken, and the vote was as follows:

Y Adelman  
Balfour  
Y Brown

Y Hill, Jack  
E Hill, Judson  
Y Hooks

Y Smith  
Y Starr  
Y Staton

E Bulloch	Y Hudgens	Y Stephens
Y Butler	Y Johnson	Y Stoner
Y Cagle	Y Jones	Y Tarver
Y Carter	Y Kemp	Y Tate
Y Chance	Y Me V Bremen	Y Thomas,D
E Chapman	E Miles	Y Thomas,R
Y Douglas	Y Moody	Y Thompson,C
Y Fort	Y Mullis	Y Thompson,S
Y Goggans	Y Pearson	Y Tolleson
E Golden	Y Powell	Y Unterman
Y Grant	Y Reed	Y Weber
Y Hamrick	Y Rogers	Y Whitehead
Y Harbison	Y Schaefer	Y Wiles
Y Harp	Y Seabaugh	Y Williams
Y Heath	Y Seay	Y Zamarripa
Y Henson	Y Shafer,D	

On the passage of the local legislation, the yeas were 50, nays 0.

The legislation on the Local Consent Calendar, having received the requisite constitutional majority, was passed.

Senator Pearson of the 51st asked unanimous consent that Senator Balfour of the 9th be excused. The consent was granted, and Senator Balfour was excused.

The following local, contested legislation, favorably reported by the committee as listed on the Local Contested Calendar, was put upon its passage:

### **SENATE LOCAL CONTESTED CALENDAR**

Monday, March 20, 2006  
Thirty-fourth Legislative Day

(The names listed are the Senators whose districts are affected by the legislation.)

**Pursuant to Article VII, Section II, Paragraph IV of the Constitution, the following local bill relating to homestead exemptions requires a two-thirds roll-call vote for passage:**



HB 595 Thompson of the 5th  
 Jones of the 10th  
 Weber of the 40th  
 Henson of the 41st  
 Adelman of the 42nd  
 Miles of the 43rd  
 Butler of the 55th  
**DEKALB COUNTY**

A BILL to be entitled an Act to provide for a homestead exemption from certain DeKalb County ad valorem taxes for county purposes in an amount equal to the amount by which the current year assessed value of a homestead exceeds the base year assessed value of such homestead; to provide for definitions; to specify the terms and conditions of the exemption and the procedures relating thereto; to provide for applicability; to provide for a referendum, effective dates, and automatic repeal; to repeal conflicting laws; and for other purposes.

**(AMENDMENT)**

The Senate State and Local Governmental Operations Committee offered the following amendment:

*Amend HB 595 by striking all matter on lines 20 through 22 of page 2 and inserting in place thereof the following:*

(f) The exemption granted by subsection (b) of this section shall apply only to taxable years 2007 through 2011. Unless renewed or extended by subsequent Act of the General Assembly, the exemption granted by subsection (b) of this section shall not apply to taxable year 2012 or any subsequent taxable year.

On the adoption of the amendment, the yeas were 46, nays 0, and the committee amendment was adopted.

The report of the committee, which was favorable to the passage of the bill as amended, was agreed to.

On the passage of the bill, a roll call was taken, and the vote was as follows:

Y Adelman	Y Hill,Jack	Y Smith
E Balfour	Y Hill,Judson	Y Starr
Brown	Y Hooks	Y Staton
Y Bulloch	Y Hudgens	Y Stephens
N Butler	Y Johnson	Y Stoner

Y Cagle	Y Jones	Y Tarver
Y Carter	Y Kemp	N Tate
Y Chance	Y Me V Bremen	Y Thomas,D
Y Chapman	E Miles	Thomas,R
Y Douglas	Y Moody	Y Thompson,C
N Fort	Y Mullis	Y Thompson,S
Y Goggans	Y Pearson	Y Tolleson
E Golden	Y Powell	Y Unterman
Y Grant	Y Reed	Y Weber
Y Hamrick	Y Rogers	Y Whitehead
Y Harbison	Y Schaefer	Y Wiles
Y Harp	Y Seabaugh	Y Williams
Y Heath	Y Seay	Y Zamarripa
N Henson	Y Shafer,D	

On the passage of the bill, the yeas were 47, nays 4.

HB 595, having received the requisite constitutional majority, was passed as amended.

Senator Adelman of the 42nd asked unanimous consent that HB 595 be immediately transmitted to the House.

There was no objection, and HB 595 was immediately transmitted.

SENATE RULES CALENDAR  
MONDAY, MARCH 20, 2006  
THIRTY-FOURTH LEGISLATIVE DAY

HB 425	Insurers; permit food and refreshments under certain circumstances (Substitute)(I&L-47th) Harbin-118th
HB 1272	Sales and use tax exemption; nonprofit volunteer health clinics; provide (FIN-51st) Graves-12th
HB 1257	Insurance; certain change of address filings; exempt from fee (Substitute) (I&L-48th) Knox-24th
HB 1066	Metabolic and genetic disorders; system for screening newborns; change provisions (Substitute)(H&HS-45th) Manning-32nd
HB 1291	Automobile clubs; regulate (I&L-29th) Smith-131st
HB 594	Bail bonds; fees of sureties (S JUDY-30th) Maxwell-17th

- HB 1014 Sales and use tax; government contractor; automatic repeal date; extend (FIN-37th) Tumlin-38th
- HB 1310 Revenue and taxation; comprehensive revision of provisions; provide (FIN-49th) O`Neal-146th

Respectfully submitted,

/s/ Balfour of the 9th, Chairman  
Senate Rules Committee

Senator Cagle of the 49th asked unanimous consent that HB 1014, which was on today's Senate Rules Calendar be engrossed.

There was no objection and HB 1014 was engrossed.

Senator Cagle of the 49th asked unanimous consent that HB 1310, which was on today's Senate Rules Calendar be engrossed.

There was no objection and HB 1310 was engrossed.

Senator Cagle of the 49th asked unanimous consent that HB 1272, which was on today's Senate Rules Calendar be engrossed.

There was no objection and HB 1272 was engrossed.

The following legislation was read the third time and put upon its passage:

HB 425. By Representatives Harbin of the 118th, Knox of the 24th and Watson of the 91st:

A BILL to be entitled an Act to amend Title 33 of the Official Code of Georgia Annotated, relating to insurance, so as to permit insurers to provide food or refreshments under certain circumstances to current or prospective clients during sales presentations and seminars provided that no insurance or annuity applications or contracts are offered or accepted at such presentations or seminars; to provide for related matters; to repeal conflicting laws; and for other purposes.

Senate Sponsor: Senator Hudgens of the 47th.

Senator Hooks of the 14th asked unanimous consent that he be excused from voting on HB 425 pursuant to Senate Rule 5-1.8(d). The consent was granted, and Senator Hooks was excused.

Senator Harbison of the 15th asked unanimous consent that he be excused from voting on HB 425 pursuant to Senate Rule 5-1.8(d). The consent was granted, and Senator Harbison was excused.

Senator Starr of the 44th asked unanimous consent that he be excused from voting on HB 425 pursuant to Senate Rule 5-1.8(d). The consent was granted, and Senator Starr was excused.

The Senate Insurance and Labor Committee offered the following substitute to HB 425:

A BILL TO BE ENTITLED  
AN ACT

To amend Title 33 of the Official Code of Georgia Annotated, relating to insurance, so as to permit insurers to provide food or refreshments under certain circumstances to current or prospective clients during sales presentations and seminars provided that no insurance or annuity applications or contracts are offered or accepted at such presentations or seminars; to provide for related matters; to repeal conflicting laws; and for other purposes.

BE IT ENACTED BY THE GENERAL ASSEMBLY OF GEORGIA:

**SECTION 1.**

Title 33 of the Official Code of Georgia Annotated, relating to insurance, is amended by striking subparagraph (b)(8)(C) of Code Section 33-6-4, relating to unfair methods of competition and unfair or deceptive acts or practices, and inserting in lieu thereof a new subparagraph (b)(8)(C) to read as follows:

"(C) Nothing in subparagraphs (A) and (B) of this paragraph shall be construed as including within the definition of discrimination or rebates any of the following practices:

- (i) In the case of any contract of life insurance or life annuity, paying bonuses to policyholders or otherwise abating their premiums in whole or in part out of surplus accumulated from nonparticipating insurance, provided that any bonuses or abatement of premiums shall be fair and equitable to policyholders and for the best interest of the company and its policyholders;
- (ii) In the case of life or accident and sickness insurance policies issued on the industrial debit or weekly premium plan, making allowance in an amount which fairly represents the saving in collection expense to policyholders who have continuously for a specified period made premium payments directly to an office

of the insurer;

(iii) Making a readjustment of the rate of premium for a policy based on the loss or expense experienced at the end of the first or any subsequent policy year of insurance thereunder, which adjustment may be made retroactive only for the policy year;

(iv) Issuing life or accident and sickness insurance policies covering bona fide employees of the insurer at a rate less than the rate charged other persons in the same class;

(v) Issuing life or accident and sickness policies on a salary-saving, payroll deduction, preauthorized, postdated, automatic check, or draft plan at a reduced rate commensurate with the savings made by the use of such plan;

(vi) Paying commissions or other compensation to duly licensed agents or brokers or allowing or returning dividends, savings, or unabsorbed premium deposits to participating policyholders, members, or subscribers;

(vii) Paying by an insurance agent of part or all of the commissions on public insurance to a nonprofit association of insurance agents which is affiliated with a recognized state or national insurance agents' association, which commissions are to be used in whole or in part for one or more civic enterprises;

(viii) Paying for food or refreshments by an insurer or an agent, broker, or employee of an insurer for current or prospective clients during group sales presentations and group seminars provided that no insurance or annuity applications or contracts are offered or accepted at such presentations or seminars;

or

(ix) Paying for business meals and entertainment by an insurer or an agent, broker, or employee of an insurer, agent, or broker for current or prospective clients;"

## SECTION 2.

All laws and parts of laws in conflict with this Act are repealed.

On the adoption of the substitute, the yeas were 38, nays 0, and the committee substitute was adopted.

The report of the committee, which was favorable to the passage of the bill by substitute, was agreed to.

On the passage of the bill, a roll call was taken, and the vote was as follows:

Y Adelman  
E Balfour  
Brown  
Y Bulloch  
Y Butler

Y Hill,Jack  
Y Hill,Judson  
E Hooks  
Y Hudgens  
Y Johnson

Y Smith  
E Starr  
Y Staton  
Y Stephens  
Stoner

Y Cagle	Y Jones	Y Tarver
Y Carter	Y Kemp	Y Tate
Y Chance	Y Me V Bremen	Y Thomas,D
Y Chapman	E Miles	N Thomas,R
Y Douglas	Y Moody	Y Thompson,C
Y Fort	Y Mullis	Y Thompson,S
Y Goggans	Y Pearson	Y Tolleson
Y Golden	Y Powell	Unterman
Y Grant	N Reed	Y Weber
Y Hamrick	Y Rogers	Y Whitehead
E Harbison	Y Schaefer	Y Wiles
Y Harp	Y Seabaugh	Y Williams
Y Heath	Y Seay	N Zamarripa
Y Henson	Y Shafer,D	

On the passage of the bill, the yeas were 45, nays 3.

HB 425, having received the requisite constitutional majority, was passed by substitute.

HB 1272. By Representatives Graves of the 12th, Brown of the 69th, Ralston of the 7th, Channell of the 116th, Burmeister of the 119th and others:

A BILL to be entitled an Act to amend Code Section 48-8-3 of the Official Code of Georgia Annotated, relating to exemptions from sales and use tax, so as to provide for an exemption regarding sales to nonprofit volunteer health clinics; to provide an effective date; to repeal conflicting laws; and for other purposes.

Senate Sponsor: Senator Pearson of the 51st.

The following Fiscal Note, as required by law, was read by the Secretary:



## **Department of Audits and Accounts**

270 Washington Street, S.W., Suite 4-114  
Atlanta, Georgia 30334-8400

Russell W. Hinton  
State Auditor  
(404) 656-2174

February 17, 2006

Honorable Larry O'Neal, Chairman  
House Ways and Means Committee  
State Capitol, Room 133  
Atlanta, Georgia 30334

SUBJECT: Fiscal Note  
House Bill 1272 (LC 18 5106)

Dear Chairman O'Neal:

This bill provides for an exemption from sales and use taxes on sales of tangible personal property sold to nonprofit volunteer health clinics and used exclusively for the provision of treatment. To qualify for this sales and use tax exemption, these volunteer health clinics must be tax exempt organizations under the Internal Revenue Code.

The Georgia State University Fiscal Research Center has estimated the impact on state revenues to be a reduction of \$1.648 million - \$3.296 million. The impact on local government revenues would be a reduction of \$1.236 million - \$2.472 million. The Center provided the following analysis of the revenue impact of this bill:

The estimated cost to the state for this bill is extremely speculative. To qualify for the exemption, a non-profit volunteer health clinic must be a tax-exempt organization under the Internal Revenue Code (this usually means a federally registered 501(c)(3) organization). However, it is difficult to get an accurate count of current qualifying volunteer health clinics in the state. The Volunteers in Health Care organization (VIH) defines a "free clinic" as a non-profit organization that relies on the spirit of volunteerism to provided health care to the uninsured. This definition excludes federally qualified community health centers. The VIH also notes that these "free clinics" may still charge a nominal fee for their services. The VIH estimates that there is at least one free clinic in every state and that some states have over 30. Georgia is not listed as one of the states with over 30 clinics. Thus, Georgia is assumed to have 30 qualifying volunteer health care clinics. The VIH estimates that roughly 3 million people were served in free clinics in 2003 in the country. Georgia's share of the uninsured would be roughly 90,000 people, assuming these uninsured are evenly distributed by population per state.

Another report by Families USA estimates that the cost to Georgia for care of the uninsured was approximately \$1.3 billion in 2004. The report estimates that the uninsured pay roughly 35 percent of the total cost for their care. Assuming the \$1.3 billion represents the state's 65 percent share, the total cost of care for the uninsured in Georgia was approximately \$2 billion in 2004.

It is likely that most of the cost of care for the uninsured is born by Georgia's hospitals. It is possible for an uninsured person who has been in an accident or suffered some serious injury to incur hundreds of thousands of dollars in medical expenses in an emergency room and intensive care unit in one of Georgia's non-profit hospitals. Thus, 80 percent - 90 percent of the medical expenses incurred by the uninsured are assumed to arise in Georgia's non-profit hospitals, nursing homes, hospices and mental health facilities and are already covered by the existing law.

Sales and use tax is only charged on purchases of tangible goods like medical supplies, prescriptions and office supplies. Services are not subject to the tax. Georgia's free clinics are assumed to provide 10 percent - 20 percent of the \$2 billion total cost of uninsured care in Georgia per year. Thus, non-profit volunteer health clinics provide \$200 million - \$400 million worth of medical care per year. This breaks down to approximately \$2,200 to \$4,400 per patient per year of medical costs incurred in Georgia's current volunteer health clinics.

In a report summarizing Georgia's health care costs, Kaiser Permanente found that 14.3 percent of medical costs were for drugs and other medical non-durables and 1.3 percent of medical costs in the state were for medical durables. The volunteer health clinics administrative supply cost is assumed to be 5 percent of medical costs. If all of the above expenses are subject to state sales and use tax at a four percent rate, then the total revenue lost to the state is approximately \$1.648 million - \$3.296 million dollars per year. If county revenue is included at an average rate of 3 percent, that adds an additional \$1.236 million - \$2.472 million to the cost.

This estimate is subject to a great degree of uncertainty. The largest component of cost in this estimate is the cost for drugs and other medical non-durables. However, it is likely that a substantial portion of these products are donated or provided at reduced cost which would reduce the cost to the state. It is also very difficult to estimate how much care is given by volunteer health clinics in Georgia versus institutions already covered by the tax exemption. If the amount of care given by volunteer health organizations fall outside the 10 percent - 20 percent range, then the cost to the state could change substantially.

Finally, Georgia has approximately 5,100 federally tax exempt 501(c)(3) organizations. These organizations receive approximately \$300 million in contributions a year. It is possible that some current federally tax exempt organizations may decide to open up volunteer health clinics to take advantage of the state sales tax exemption. The bill does not specify any other restrictions on volunteer health clinics other than the federal tax exemption and the exclusive use of purchases for treatment. This could add substantial additional cost to the state.



The estimated cost to the state of this bill for an exemption from sales and use taxes for all tangible personal property sold to qualified volunteer health clinics is \$1.648 million - \$3.296 million. If county sales tax is also exempt, the total cost grows to \$2.884 million - \$5.768 million. It is possible that other tax exempt organizations might open up volunteer health clinics in order to qualify for the exemption once it becomes law. This would add additional cost to the state.

Sincerely,

/s/ Russell W. Hinton  
State Auditor

/s/ Shelley C. Nickel, Director  
Office of Planning and Budget

The report of the committee, which was favorable to the passage of the bill, was agreed to.

On the passage of the bill, a roll call was taken, and the vote was as follows:

Adelman	Y Hill,Jack	Y Smith
E Balfour	Y Hill,Judson	Y Starr
Y Brown	Y Hooks	Y Staton
Y Bulloch	Y Hudgens	Y Stephens
Y Butler	Y Johnson	Y Stoner
Y Cagle	Y Jones	Y Tarver
Y Carter	Y Kemp	Y Tate
Y Chance	Y Me V Bremen	Y Thomas,D
Y Chapman	E Miles	Y Thomas,R
Y Douglas	Y Moody	Y Thompson,C
Y Fort	Y Mullis	Y Thompson,S
Y Goggans	Y Pearson	Y Tolleson
Y Golden	Y Powell	Y Unterman
Y Grant	Y Reed	Y Weber
Y Hamrick	Y Rogers	Y Whitehead
Y Harbison	Y Schaefer	Y Wiles
Y Harp	Y Seabaugh	Y Williams
Y Heath	Y Seay	Y Zamarripa
Y Henson	Y Shafer,D	

On the passage of the bill, the yeas were 53, nays 0.

HB 1272, having received the requisite constitutional majority, was passed.

Senator Whitehead of the 24th asked unanimous consent that Senator Weber of the 40th be excused. The consent was granted, and Senator Weber was excused.

HB 1257. By Representatives Knox of the 24th, Maxwell of the 17th, Meadows of the 5th and Watson of the 91st:

A BILL to be entitled an Act to amend Title 33 of the Official Code of Georgia Annotated, relating to insurance, so as to exempt certain change of address filings by agents, subagents, counselors, and adjusters from a fee; to provide for certain qualifications for a counselor's license; to provide for the maintenance by the Commissioner of Insurance of the address of the place of business of agents, subagents, counselors, and adjusters; to provide for related matters; to repeal conflicting laws; and for other purposes.

Senate Sponsor: Senator Shafer of the 48th.

The Senate Insurance and Labor Committee offered the following substitute to HB 1257:

A BILL TO BE ENTITLED  
AN ACT

To amend Chapter 11 of Title 31 of the Official Code of Georgia Annotated, relating to emergency medical services, so as to revise certain definitions; to change certain provisions relating to evaluation of a person with an emergency condition and initiation of intervention without prospective authorization; to amend Title 33 of the Official Code of Georgia Annotated, relating to insurance, so as to change certain provisions relating to emergency services requirements; to change certain provisions relating to payments to nonparticipating and nonpreferred providers of health care services; to change certain provisions relating to health benefit plans providing incentives to use services of preferred providers; to exempt certain change of address filings by agents, subagents, counselors, and adjusters from a fee; to provide for certain qualifications for a counselor's license; to provide for the maintenance by the Commissioner of Insurance of the address of the place of business of agents, subagents, counselors, and adjusters; to provide for related matters; to repeal conflicting laws; and for other purposes.

BE IT ENACTED BY THE GENERAL ASSEMBLY OF GEORGIA:

**SECTION 1.**

Chapter 11 of Title 31 of the Official Code of Georgia Annotated, relating to emergency medical services, is amended by striking paragraphs (2) and (3) of Code Section 31-11-81, relating to definitions, in their entirety and inserting in lieu thereof the following:

"(2) 'Emergency medical provider' means any provider of emergency medical transportation licensed or permitted by the Georgia Department of Human Resources,

any hospital licensed or permitted by the Georgia Department of Human Resources, any hospital based service, or any physician licensed by the Composite State Board of Medical Examiners who provides emergency services.

(3) 'Emergency services' means emergency medical transportation or health care services provided in a hospital emergency facility to evaluate and treat any emergency condition."

## SECTION 2.

Said chapter is further amended in Code Section 31-11-82, relating to evaluation of a person with an emergency condition and initiation of intervention without prospective authorization, by striking subsection (b) in its entirety and inserting a new subsection (b) to read as follows:

"(b) If in the opinion of the attending physician or licensed ambulance service personnel acting under the medical direction of an ambulance service medical director as defined in Code Section 31-11-60.1 the evaluation provided under subsection (a) of this Code section warrants, he or she may initiate appropriate intervention to stabilize the condition of the patient without seeking or receiving prospective authorization by an insurer, a health maintenance organization, or a private health benefit plan. No insurer, health maintenance organization, or private health benefit plan may subsequently deny payment for an evaluation, diagnostic testing, or treatment provided as part of such intervention for an emergency condition."

## SECTION 3.

Title 33 of the Official Code of Georgia Annotated, relating to insurance, is amended by striking subparagraph (A) of paragraph (1) of Code Section 33-20A-9, relating to emergency services requirements, in its entirety and inserting in lieu thereof the following:

"(1)(A) In the event that a patient seeks emergency services and if necessary in the opinion of the emergency health care provider responsible for the patient's emergency care and treatment and warranted by his or her evaluation, such emergency provider may initiate necessary intervention to stabilize the condition of the patient without seeking or receiving prospective authorization by the managed care entity or managed care plan. No managed care entity or private health benefit plan may subsequently deny payment for an evaluation, diagnostic testing, or treatment provided as part of such intervention for an emergency condition. For purposes of this Code section, the term 'emergency health care provider' includes without limitation an emergency services provider and a licensed ambulance service providing all emergency medical transportation."

## SECTION 4.

Said title is further amended by striking subsection (a) of Code Section 33-24-54, relating to payments to nonparticipating or nonpreferred providers of health care services, in its

entirety and inserting in lieu thereof a new subsection (a) to read as follows:

"(a) Notwithstanding any provisions of Code Sections 33-1-3, 33-1-5, and 33-24-17 and Chapter 20 of this title or any other provisions of this title which might be construed to the contrary, whenever an accident and sickness insurance policy, subscriber contract, or self-insured health benefit plan, by whatever name called, which is issued or administered by a person licensed under this title provides that any of its benefits are payable to a participating or preferred provider of health care services licensed under the provisions of Chapter 4 of Title 26 or of Chapter 9, 11, 30, 34, 35, or 39 of Title 43 or of Chapter 11 of Title 31 for services rendered, the person licensed under this title shall be required to pay such benefits either directly to any similarly licensed nonparticipating or nonpreferred provider who has rendered such services, has a written assignment of benefits, and has caused written notice of such assignment to be given to the person licensed under this title or jointly to such nonparticipating or nonpreferred provider and to the insured, subscriber, or other covered person; provided, however, that in either case the person licensed under this title shall be required to send such benefit payments directly to the provider who has the written assignment. When payment is made directly to a provider of health care services as authorized by this Code section, the person licensed under this title shall give written notice of such payment to the insured, subscriber, or other covered person."

#### SECTION 5.

Said title is further amended by adding to the end of Code Section 33-30-24, relating to health benefit plans providing certain incentives, the following:

"For purposes of this Code section, when a request for emergency care is made through the emergency 9-1-1 system on behalf of a covered person and the ambulance service licensed under Chapter 11 of Title 31 that was dispatched in response to the request is not a preferred provider, for purposes of payment under paragraph (1) of this Code section, it shall be presumed that the covered person could not reasonably reach a preferred provider."

#### SECTION 6.

Said title is further amended by striking subparagraph (AA) of paragraph (6) of Code Section 33-8-1, relating to fees and charges generally, and inserting in lieu thereof a new subparagraph (AA) to read as follows:

"(AA) Amendment of filings..... 25.00

Provided, however, that the Commissioner, in his or her discretion, may exempt from such fee change of address filings done off line by agents, subagents, counselors, and adjusters.

(AA.1) Change of address filings done on line by agents, subagents, counselors, and adjusters..... No charge"

**SECTION 7.**

Said title is further amended by striking paragraph (6) of subsection (a) of Code Section 33-23-5, relating to qualifications and requirements for license, and inserting in lieu thereof a new paragraph (6) to read as follows:

"(6) If applying for a license as counselor, the applicant must show that he or she either has had five years' experience acting as either as an agent, subagent, or adjuster or in some other phase of the insurance business or has sufficient teaching or educational qualifications or experience which, in the opinion of the Commissioner, has qualified the applicant to act as such counselor; and the applicant shall pass such examination as shall be required by the Commissioner unless the applicant is exempted by the Commissioner, based on the applicant's experience and qualifications and pursuant to a regulation adopted by the Commissioner;".

**SECTION 8.**

Said title is further amended by striking Code Section 33-23-25, relating to place of business, and inserting a new Code Section 33-23-25 to read as follows:

"33-23-25.

Every licensed agent, subagent, counselor, and adjuster shall have and maintain in this state or, if a nonresident licensee, in the state of domicile, a place of business accessible to the public. The place of business shall be that wherein the licensee principally conducts transactions pursuant to the license. The address of the place of business shall appear on all licenses of the resident licensee be maintained by the Commissioner. All resident and nonresident licensees shall promptly notify the Commissioner in writing within 30 days of any change in the business address."

**SECTION 9.**

All laws and parts of laws in conflict with this Act are repealed. Substitute

Senators Shafer of the 48th and Balfour of the 9th offered the following amendment:

Amend the committee substitute (LC 33 1494S) to HB 1257 by striking the word "all" from line 27 of page 2 and inserting the numerals "911" in its place.

On the adoption of the amendment, the yeas were 37, nays 0, and the Shafer of the 48th, Balfour amendment was adopted.

On the adoption of the substitute, the yeas were 41, nays 0, and the committee substitute was adopted as amended.

The report of the committee, which was favorable to the passage of the bill by substitute, was agreed to as amended.

On the passage of the bill, a roll call was taken, and the vote was as follows:

Adelman	Y Hill,Jack	Y Smith
E Balfour	Y Hill,Judson	Y Starr
Y Brown	Y Hooks	Y Staton
Y Bulloch	Y Hudgens	Y Stephens
Y Butler	Y Johnson	Y Stoner
Y Cagle	Y Jones	Y Tarver
Y Carter	Y Kemp	Y Tate
Y Chance	Y Me V Bremen	Y Thomas,D
Y Chapman	E Miles	Y Thomas,R
Y Douglas	Y Moody	Y Thompson,C
Y Fort	Y Mullis	Y Thompson,S
Y Goggans	Y Pearson	Y Tolleson
Y Golden	Y Powell	Y Unterman
Y Grant	Y Reed	E Weber
Y Hamrick	Y Rogers	Y Whitehead
Y Harbison	Y Schaefer	Y Wiles
Y Harp	Y Seabaugh	Y Williams
Y Heath	Y Seay	Y Zamarripa
Y Henson	Y Shafer,D	

On the passage of the bill, the yeas were 52, nays 0.

HB 1257, having received the requisite constitutional majority, was passed by substitute.

HB 1066. By Representatives Manning of the 32nd, Ehrhart of the 36th, O`Neal of the 146th, Cooper of the 41st, Brown of the 69th and others:

A BILL to be entitled an Act to amend Chapter 12 of Title 31 of the Official Code of Georgia Annotated, relating to control of hazardous conditions, preventable diseases, and metabolic disorders, so as to change certain provisions relating to a system for screening newborns for certain metabolic and genetic disorders; to provide for the establishment of fees; to provide for religious objection to screening; to change certain provisions relating to screening for phenylketonuria, sickle cell anemia, and sickle cell trait; to provide for related matters; to repeal conflicting laws; and for other purposes.

Senate Sponsor: Senator Unterman of the 45th.

The Senate Health and Human Services Committee offered the following substitute to HB 1066:

A BILL TO BE ENTITLED  
AN ACT

To amend Chapter 12 of Title 31 of the Official Code of Georgia Annotated, relating to control of hazardous conditions, preventable diseases, and metabolic disorders, so as to change certain provisions relating to a system for screening newborns for certain metabolic and genetic disorders; to provide for the establishment of fees; to provide for religious objection to screening; to change certain provisions relating to screening for phenylketonuria, sickle cell anemia, and sickle cell trait; to provide for related matters; to provide for an effective date; to repeal conflicting laws; and for other purposes.

BE IT ENACTED BY THE GENERAL ASSEMBLY OF GEORGIA:

**SECTION 1.**

Chapter 12 of Title 31 of the Official Code of Georgia Annotated, relating to control of hazardous conditions, preventable diseases, and metabolic disorders, is amended by striking Code Section 31-12-6, relating to a system for prevention of mental retardation resulting inherited metabolic disorders, and inserting in lieu thereof the following:

"31-12-6.

(a) The department shall promulgate rules and regulations creating a system for the prevention of ~~mental retardation~~ serious illness, severe physical or developmental disability, and death caused by genetic conditions, such as phenylketonuria, galactosemia, ~~tyrosinemia~~, homocystinuria, maple syrup urine disease, hypothyroidism, congenital adrenal hyperplasia, and such other inherited metabolic and genetic disorders as may be ~~determined~~ identified in the future to result in serious illness, severe physical or developmental disability, and death ~~cause mental retardation~~ if undiagnosed and untreated. The system shall have five components: screening newborns for the disorders; retrieving potentially affected screenees back into the health care system; accomplishing specific diagnoses; initiating and continuing therapy; and assessing the program.

(b) The entire process for screening, retrieval, and diagnosis must occur within ~~the first three weeks of an infant's life~~ time frames established by the department pursuant to rules and regulations, and the system shall be structured to meet this critical need.

(c) The department shall be responsible for the screening of all newborns for the ~~disorder~~ disorders enumerated and in a manner determined by the department pursuant to rules and regulations and shall be responsible for assessment of the program.

(d) The department shall, to the extent state or federal funds are available for such purposes, including but not limited to funds provided under Title V of the Social Security Act, the Maternal and Child Health Services Block Grant, provide for retrieving potentially affected screenees back into the health care system; accomplishing specific diagnoses; initiating and continuing therapy; and assessing the

program.

(e) ~~Because the rudiments of such a system already exist, the~~ The department shall utilize appropriate existing resources whenever possible and shall cause the coordination and cooperation of agencies and organizations having resources necessary for the creation of an effective system.

(f) The department shall be authorized to establish and periodically adjust, by rule and regulation, fees associated with the screening, retrieval, and diagnosis conducted pursuant to this Code section to help defray or meet the costs incurred by the department. In no event shall the fees exceed such costs, both direct and indirect, in providing such screenings and related services, provided that no services shall be denied on the basis of inability to pay. All fees paid thereunder shall be paid into the general fund of the State of Georgia.

(g) The department shall allow any laboratory licensed in Georgia and authorized to perform screening testing of newborn infants in any state using normal pediatric reference ranges to conduct the analysis required pursuant to this Code section. The testing performed by such laboratory must include testing for newborn diseases as required by law or regulation and shall provide test results and reports consistent with law and with policies, procedures, and regulations of the department.

(h) No later than January 1, 2007, the Georgia Department of Audits and Accounts shall conduct an assessment evaluating the efficiency and effectiveness of the newborn screenings conducted by the Georgia Public Health Laboratory pursuant to this Code section. If it is determined that private laboratories can provide testing at a lower cost than the Georgia Public Health Laboratory, the department shall issue a request for proposals to qualified vendors including any private laboratory licensed in Georgia as established in subsection (g) of this Code section. The Georgia Public Health Laboratory shall be eligible to respond to such request for proposals.

(i) The requirements of this Code section with regard to screening, retrieval, and diagnosis shall not apply to any infant whose parents object in writing thereto on the grounds that such tests and treatment conflict with their religious tenets and practices."

## SECTION 2.

Said chapter is further amended by striking Code Section 31-12-7, relating to rules and regulations regarding tests for phenylketonuria, sickle cell anemia, and sickle cell trait, and inserting in lieu thereof the following:

"31-12-7.

(a) In coordination and association with the system established by the department for the screening, retrieval, and diagnosis of certain metabolic and genetic disorders pursuant to Code Section 31-12-6, the ~~The~~ department, or its successor agency or department, shall adopt and promulgate appropriate rules and regulations governing tests for ~~phenylketonuria, sickle cell anemia, and sickle cell trait, and other metabolic and genetic disorders as enumerated by the department pursuant to rules and regulations~~ so that as nearly as possible all newborn infants who are susceptible or likely to have



~~phenylketonuria, sickle cell anemia, or sickle cell trait, or other metabolic and genetic disorders~~ shall receive a test for ~~phenylketonuria, sickle cell anemia, or sickle cell trait, or other metabolic and genetic disorders~~ or all of such conditions as soon after birth as successful testing and treatment therefor may be initiated; provided, however, that this Code section shall not apply to any infant whose parents object thereto on the grounds that such tests and treatment conflict with their religious tenets and practices.

(b) If any such child is found to have ~~phenylketonuria, sickle cell anemia, or sickle cell trait~~, it shall be the duty of the examining physician or the department to inform the parents of such child that the child is so afflicted and, if such child has sickle cell anemia or sickle cell trait, that counseling regarding the nature of the disease, its effects, and its treatment is available without cost from the department and the county board of health or county department of health.

(c) It shall be the duty of the department and each county board of health and county department of health, or their successor agencies or departments, to furnish counseling and advice to any persons requesting such counseling regarding sickle cell anemia or sickle cell trait, its characteristics, symptoms, traits, effects, and treatment. Such counseling shall be furnished without cost to the person requesting it.

(d) The department shall be authorized to establish and periodically adjust, by rule and regulation, fees associated with the screening, retrieval, and diagnosis conducted pursuant to this Code section to help defray or meet the costs incurred by the department; provided, however, that in no event shall the total fees associated with such screening, retrieval, and diagnosis exceed \$40.00 for the calendar year beginning January 1, 2007. In no event shall the fees exceed such costs, both direct and indirect, in providing such screenings and related services, provided that no services shall be denied on the basis of inability to pay. All fees paid thereunder shall be paid into the general fund of the State of Georgia."

### **SECTION 3.**

This Act shall become effective on January 1, 2007.

### **SECTION 4.**

All laws and parts of laws in conflict with this Act are repealed.

On the adoption of the substitute, the yeas were 30, nays 0, and the committee substitute was adopted.

The report of the committee, which was favorable to the passage of the bill by substitute, was agreed to.

On the passage of the bill, a roll call was taken, and the vote was as follows:

Y Adelman	Y Hill,Jack	Y Smith
E Balfour	Y Hill,Judson	Y Starr
Y Brown	Y Hooks	Y Staton
Y Bulloch	Y Hudgens	Y Stephens
Y Butler	Y Johnson	Y Stoner
Y Cagle	Y Jones	Y Tarver
Y Carter	Y Kemp	Y Tate
Y Chance	Y Me V Bremen	Y Thomas,D
Y Chapman	E Miles	Y Thomas,R
Y Douglas	Y Moody	Y Thompson,C
Y Fort	Y Mullis	Y Thompson,S
Y Goggans	Y Pearson	Y Tolleson
Y Golden	Y Powell	Y Unterman
Y Grant	Y Reed	E Weber
Y Hamrick	Y Rogers	Y Whitehead
Y Harbison	Y Schaefer	Y Wiles
Y Harp	Y Seabaugh	Y Williams
Y Heath	Y Seay	Y Zamarripa
Y Henson	Y Shafer,D	

On the passage of the bill, the yeas were 53, nays 0.

HB 1066, having received the requisite constitutional majority, was passed by substitute.

Senator Kemp of the 46th asked unanimous consent that Senator Goggans of the 7th be excused. The consent was granted, and Senator Goggans was excused.

HB 1291. By Representatives Smith of the 131st, Rogers of the 26th, Meadows of the 5th and Murphy of the 120th:

A BILL to be entitled an Act to amend Title 33 of the Official Code of Georgia Annotated, relating to insurance, so as to regulate automobile clubs; to provide definitions; to provide an effective date; to repeal conflicting laws; and for other purposes.

Senate Sponsor: Senator Harp of the 29th.

The report of the committee, which was favorable to the passage of the bill, was agreed to.

On the passage of the bill, a roll call was taken, and the vote was as follows:

Y Adelman	Y Hill,Jack	Y Smith
E Balfour	Y Hill,Judson	Y Starr
Brown	Y Hooks	Y Staton
Y Bulloch	Y Hudgens	Y Stephens
Y Butler	Y Johnson	Y Stoner
Y Cagle	Jones	Y Tarver
Y Carter	Y Kemp	Y Tate
Y Chance	Y Me V Bremen	Y Thomas,D
Y Chapman	E Miles	Thomas,R
Y Douglas	Y Moody	Y Thompson,C
N Fort	Y Mullis	Y Thompson,S
E Goggans	Y Pearson	Y Tolleson
Y Golden	Y Powell	Y Unterman
Y Grant	Y Reed	E Weber
Y Hamrick	Y Rogers	Y Whitehead
Y Harbison	Y Schaefer	Y Wiles
Y Harp	Y Seabaugh	Williams
Y Heath	Y Seay	Y Zamarripa
Y Henson	Y Shafer,D	

On the passage of the bill, the yeas were 47, nays 1.

HB 1291, having received the requisite constitutional majority, was passed.

HB 594. By Representatives Maxwell of the 17th, Hembree of the 67th, Heckstall of the 62nd, Murphy of the 23rd and Randall of the 138th:

A BILL to be entitled an Act to amend Code Section 17-6-30 of the Official Code of Georgia Annotated, relating to fees of sureties, so as to change the basis of the bondsmen's fees; to provide for related matters; to repeal conflicting laws; and for other purposes.

Senate Sponsor: Senator Hamrick of the 30th.

The report of the committee, which was favorable to the passage of the bill, was agreed to.

On the passage of the bill, a roll call was taken, and the vote was as follows:

Y Adelman	Y Hill,Jack	Y Smith
E Balfour	Y Hill,Judson	Y Starr
Y Brown	Y Hooks	Y Staton
Y Bulloch	Y Hudgens	Y Stephens

Y Butler	Y Johnson	Y Stoner
Y Cagle	Y Jones	Y Tarver
Y Carter	Y Kemp	Y Tate
Y Chance	Y Me V Bremen	Y Thomas,D
Y Chapman	E Miles	Y Thomas,R
Y Douglas	Y Moody	Y Thompson,C
Y Fort	Y Mullis	Y Thompson,S
Y Goggans	Y Pearson	Y Tolleson
Y Golden	Y Powell	Y Unterman
Y Grant	Y Reed	E Weber
Y Hamrick	Y Rogers	Y Whitehead
Y Harbison	Y Schaefer	Y Wiles
Y Harp	Y Seabaugh	Y Williams
Y Heath	Y Seay	Zamarripa
Henson	Y Shafer,D	

On the passage of the bill, the yeas were 51, nays 0.

HB 594, having received the requisite constitutional majority, was passed.

Senator Whitehead of the 24th asked unanimous consent that Senator Seabaugh of the 28th be excused. The consent was granted, and Senator Seabaugh was excused.

HB 1014. By Representatives Tumlin of the 38th, Ehrhart of the 36th, Jones of the 44th, Golick of the 34th, Manning of the 32nd and others:

A BILL to be entitled an Act to amend Code Section 48-8-3 of the Official Code of Georgia Annotated, relating to exemptions from sales and use tax, so as to extend the automatic repeal date for an exemption for overhead materials of a government contractor; to delete obsolete language; to repeal conflicting laws; and for other purposes.

Senate Sponsor: Senator Wiles of the 37th.

The following Fiscal Note, as required by law, was read by the Secretary:



## Department of Audits and Accounts

270 Washington Street, S.W., Suite 4-114  
Atlanta, Georgia 30334-8400

Russell W. Hinton  
 State Auditor  
 (404) 656-2174

January 13, 2006

Honorable Larry O'Neal, Chairman  
 House Ways and Means Committee  
 State Capitol, Room 133  
 Atlanta, Georgia 30334

SUBJECT: Fiscal Note  
 House Bill HB 1014 (LC 33 1082)

Dear Chairman O'Neal:

Overhead materials used or consumed in the performance of a contract between the U.S. Department of Defense (DOD) or the National Aeronautics and Space Administration (NASA) and a government contractor are currently exempt from Georgia's sales and use tax. However, this exemption expires on January 1, 2007. This bill would extend this exemption until January 1, 2011. The Georgia State University Fiscal Research Center provided the following analysis of the revenue impact of extending this exemption:

The table below lists expenditures in Georgia for FY 2004 by DOD and NASA. For DOD, these expenditures are published in the Atlas/Data Abstract for the U.S. and Selected Areas. For NASA, the data are published in the Consolidated Federal Funds Report. Expenditures by DOD on construction are not included since these expenditures are not included in this exemption from sales tax.

FY 2004 Contract Expenditures (\$ Thousands)		
<b>Department of Defense</b>		
Supply & Equipment Contracts	\$	1,764,766
RDT&E Contracts	\$	56,525
Services Contracts	\$	1,665,406
Civil Function Contracts	\$	103,053
Grants	\$	48,345
Sub-Total	\$	3,638,095
<b>NASA</b>		
Procurement Contracts	\$	21,724
Grants	\$	21,857
Sub- Total	\$	43,581
<b>Total</b>	<b>\$</b>	<b>3,681,676</b>

To develop a most likely estimate, it is necessary to exclude some of these expenditures that would continue to be non-taxable even if the current exemption were to expire; these expenditures would not be taxed per other provisions of Georgia's tax code. For example, services are generally not subject to sales tax in Georgia. Expenditures on identified services contracts equaled \$1,665.4 million. Thus, our most likely estimate excludes these expenditures. In addition, it is assumed that grants are provided to government entities and purchases using grant funds are also exempt from the sales tax.

For the other categories of expenditures, it was assumed that overhead materials represented 40% of total expenditures. The remaining 60% would be made up of categories such as labor and services. Applying this percentage to the remaining categories and excluding all expenditures on services contracts and grants yields FY 2004 expenditures of \$778.4 million on overhead materials that would be taxable after this exemption expires.

The FY 2004 revenue loss is calculated by applying the state's 4% tax rate to this expenditure estimate. This yields \$31.1 million as the most likely estimate of the FY 2004 revenue loss due to the exemption. In addition, local government revenues would decline by \$23.4 million, assuming a 3% local sales tax rate.

Assuming this expenditure amount remains relatively constant over time, continuing this exemption beyond January 1, 2007 would reduce state sales tax revenue by \$15.6 million in FY 2007 and \$31.1 million in FY 2008. Continuing the exemption would reduce local governments' sales tax revenues by \$11.7 million in FY 2007 and \$23.4 million in FY 2008.

Respectfully,

/s/ Russell W. Hinton  
State Auditor

/s/ Shelley C. Nickel, Director  
Office of Planning and Budget

The report of the committee, which was favorable to the passage of the bill, was agreed to.

On the passage of the bill, a roll call was taken, and the vote was as follows:

Y Adelman  
E Balfour  
Brown  
Y Bulloch

Y Hill,Jack  
Y Hill,Judson  
Y Hooks  
Y Hudgens

Y Smith  
Y Starr  
Y Staton  
Y Stephens

Y Butler	Y Johnson	Y Stoner
Y Cagle	Y Jones	Y Tarver
Y Carter	Y Kemp	Y Tate
Y Chance	Y Me V Bremen	Y Thomas,D
Y Chapman	E Miles	Thomas,R
Y Douglas	Y Moody	Y Thompson,C
Y Fort	Y Mullis	Y Thompson,S
Y Goggans	Y Pearson	Y Tolleson
Y Golden	Y Powell	Y Unterman
Y Grant	Y Reed	Y Weber
Y Hamrick	Y Rogers	Y Whitehead
Y Harbison	Y Schaefer	Y Wiles
Y Harp	E Seabaugh	Y Williams
Y Heath	Y Seay	Zamarripa
Henson	Y Shafer,D	

On the passage of the bill, the yeas were 49, nays 0.

HB 1014, having received the requisite constitutional majority, was passed.

HB 1310. By Representatives O'Neal of the 146th, Knight of the 126th, Cole of the 125th, Smith of the 131st and Mosby of the 90th:

A BILL to be entitled an Act to amend Title 48 of the Official Code of Georgia Annotated, relating to revenue and taxation, so as to provide for the comprehensive revision of provisions regarding revenue and taxation; to define the terms "Internal Revenue Code" and "Internal Revenue Code of 1986" and thereby incorporate certain provisions of federal law into Georgia law; to change certain provisions relating to confidential information; to change certain provisions regarding forms of payment; to change certain provisions regarding extension of time for certain returns; to change certain provisions regarding sales and use tax return allowances; to provide effective dates; to provide for applicability; to repeal conflicting laws; and for other purposes.

Senate Sponsor: Senator Cagle of the 49th.

The following Fiscal Note, as required by law, was read by the Secretary:



## Department of Audits and Accounts

270 Washington Street, S.W., Suite 4-114  
Atlanta, Georgia 30334-8400

Russell W. Hinton  
State Auditor  
(404) 656-2174

February 17, 2006

Honorable Larry O'Neal, Chairman  
House Ways and Means Committee  
State Capitol, Room 133  
Atlanta, Georgia 30334

SUBJECT: Fiscal Note  
House Bill 1310 Substitute  
(LC 18 5227S)

Dear Chairman O'Neal:

This bill amends current state tax law by adopting the changes to the Federal Tax code that occurred during 2005. Georgia uses the calculation of Federal taxable income as the base of taxation for the state corporation income tax. Furthermore, the Georgia personal income tax incorporates the value of itemized deductions taken at the federal level as well as federal adjusted gross income (AGI). Thus, changes made at the Federal level to the definition of federal taxable income of corporations, federal AGI, and itemized deductions affect the base of the Georgia corporate and personal income tax.

The Georgia State University Fiscal Research Center provided the following narrative on the revenue impact of the various provisions of this bill and estimates the revenue impact to be a decrease of approximately \$35 million over a five year period:

The passage of several pieces of legislation at the Federal level in 2005, specifically the Energy Policy Act of 2005 (HR 6), the Katrina Emergency Tax Relief Act of 2005 (HR 3768), and the Gulf Opportunity Zone Act of 2005 (HR 4440), reduces the base of tax revenues for Georgia, and represents a decline in potential revenue collections. The revenue consequences to the state of Georgia of adopting new provisions contained in the Federal Code are shown in Table 1.

Table 1 - The Revenue Effect of HB 1310  
(Fiscal Years/\$ in millions)

<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>Total</u>
-6	-11	-9	-5	-4	-35

The tables on the following pages provide the detailed impacts for the various elements of the changes in federal regulations that are to be adopted under HB 1310.



Estimates of provisions contained in HR 6, HR 4440, HR 3768 -

<b>Estimates of provisions contained in HR 6 -</b>	Fiscal Years - \$ in millions					
	2006	2007	2008	2009	2010	Total
Natural gas distribution lines treated as 15 year property	-0.1	-0.2	-0.4	-0.6	-0.7	-2.0
Transmission property treated as 15 year property	*	-0.1	-0.2	-0.4	-0.5	-1.2
Amortization of atmospheric pollution control facilities	-0.1	-0.2	-0.3	-0.5	-0.7	-1.8
Modification of special rules for nuclear decommissioning costs	-0.8	-1.3	-1.2	-1.1	-0.8	-5.2
Treatment of income of certain electric cooperatives	0	-0.1	-0.2	-0.2	-0.3	-0.8
Dispositions of transmission property to implement FERC restructuring policy	-0.2	-0.5	-1.1	-0.4	0.2	-2.0
Alternative technology vehicle credits and elimination of section 179 deduction	0.1	*	*	*	*	0.1
Energy efficient commercial buildings deduction	-0.7	-1.2	-0.4	0.1	*	-2.2
5 year carryback of net operating loss for certain electrical utility companies	-0.4	-0.2	-0.1	0.1	0.1	-0.5
Modify recapture of section 197 amortization	0.1	0.1	0.1	0.1	0.1	0.5

<b>Estimate of provisions contained in HR 4440 -</b>
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**Part 1 - Establishment of the Gulf Opportunity Zone**

Income exclusion for interest earned from private activity bonds related to Gulf Opportunity Zone and allow for advanced refunding of certain bonds	-0.2	-0.8	-1.3	-1.7	-1.9	-6.0
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Increased expensing under Sec. 179 - provision	-0.1	-0.2	-0.1	0.1	0.1	-0.3
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	Fiscal Years - \$ in millions					
	2006	2007	2008	2009	2010	Total
Partial expensing for certain demolition costs	-0.3	-0.4	-0.2	0.0	0.0	-0.9
Extend and expand expensing to petroleum products	-0.1	-0.3	-0.2	0.0	0.0	-0.5
Treatment of Public Utilities property disaster losses	-0.6	-0.7	0.1	0.3	0.2	-0.8

**Part 2. Tax benefits related to Hurricanes Rita and Wilma**

Suspension of 10% and \$100 thresholds on personal casualty losses	-0.4	-0.9	-0.5	*	---	-1.7
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Modifications of suspension of interest and penalties	0.2	0.0	0.0	0.0	0.0	0.2
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**Estimate of provisions contained in HR 3768 -****Part 3 - Charitable giving incentives**

Increase in standard mileage rate for charitable vehicles related to hurricane relief	-0.1	-0.2	---	---	---	-0.3
---	------	------	-----	-----	-----	------

Mileage reimbursements to charitable volunteers excluded from income	0.0	0.0	---	---	---	0.0
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**Part 4 - Additional Tax Relief Provisions**

Suspend the 10% and \$100 thresholds on personal casualty losses relating to Hurricane Katrina	-0.8	-1.8	-1.0	*	---	-3.6
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Required exercise of IRS administrative authority (combat zones, others)	0.0	0.0	0.0	0.0	0.0	-0.1
Special mortgage financing rules for residences in Katrina affected areas	0.0	0.0	-0.1	-0.1	-0.1	-0.4
Extend replacement period for nonrecognition of gain for Katrina area property	-1.0	-2.4	-1.5	-0.1	0.0	-5.0
<b>Combined Total for Adoption of HR 6, HR 4440, and HR 3768</b>	<b>-6</b>	<b>-11</b>	<b>-9</b>	<b>-5</b>	<b>-4</b>	<b>-35</b>

HR 6 refers to the Energy Policy Act of 2005

HR 3768 refers to the Katrina Emergency Tax Relief Act of 2005

HR 4440 refers to the Gulf Opportunity Zone Act of 2005

\* represents a loss of less than \$500,000.

The following provisions from HR 4440 were estimated to have no revenue effect or have an effect of less than \$100,000 to the State of Georgia.

Low-income housing credit

Increase rehabilitation credit

Increase reforestation expensing from \$10,000 to \$20,000 for expenses incurred in the GO zone, Rita GO zone, and Wilma GO zone.

Treat small timber growers as farmers for purposes of the 5 year net operating loss carryback in section 172(b)(1)(G)

Treatment of representations regarding income eligibility for purposes of qualified residential rental project requirements

Expansion of HOPE Scholarship and Lifetime Learning Credits

Extension of special rules for Mortgage Revenue Bonds in the Katrina disaster area.

Recontributions of withdrawals for home purchases cancelled due to Hurricanes Rita and Wilma

Retention Credits

Required exercise of IRS administrative authority under Code section 7508A for tax relief for certain taxpayers

Secretarial authority to make adjustments regarding taxpayer and dependency status

Designation of certain public debt as Gulf Coast Recovery Bonds

Inclusion of combat pay in earned income for purposes of EITC at taxpayer's election

Disclosures of certain tax information.

The following provisions from HR 3768 were estimated to have no revenue effect or have an effect of less than \$100,000 to the State of Georgia.

Special rules for use of retirement funds for relief relating to Hurricane Katrina

Employment relief

Additional \$500 personal exemption for Hurricane Katrina displaced individuals

Extend enhanced deduction for contributions of food inventory to individuals

Extend enhanced deduction for contributions of book inventory to include contributions to public schools

Exclusion of certain indebtedness affected by Hurricane Katrina

Allow residents of Hurricane Katrina disaster area as of 8/25/05 exceptions for calculation of EITC

Secretarial authority to make adjustments regarding taxpayer and dependency status for taxpayers affected by Hurricane Katrina

The following provisions from HR 6 were estimated to have no revenue effect or have an effect of less than \$100,000 to the State of Georgia.

Arbitrage rules not to apply to prepayments for natural gas

Natural gas gathering lines treated as

7 year property

Determination of small refiner exception to oil depletion deduction

Temporary expensing for equipment used in the refining of liquid fuels

Allow pass through to owners of deduction for capital costs incurred by small refiner coops in complying with EPA

Amortization of geological and geophysical expenditures

House Bill 1310 does not adopt the Federal Code in its entirety but includes several exceptions. These exceptions include Section 1400N(d)(1), Section 1400N(j), and Section 1400N(k). These provisions which are contained in the Federal Code are to be explicitly excluded from state law under House Bill 1310. Furthermore, while state law does not currently include Internal Revenue Code (IRC) Section 168, House Bill 1310 would adopt IRC Section 168(k)(2)(A)(i), 168(k)(2)(D)(i), and 168(k)(2)(E) for purposes of reference to other sections of state law.

Respectfully,

/s/ Russell W. Hinton  
State Auditor

/s/ Shelley C. Nickel, Director  
Office of Planning and Budget

The report of the committee, which was favorable to the passage of the bill, was agreed to.

On the passage of the bill, a roll call was taken, and the vote was as follows:

Y Adelman	Y Hill,Jack	Y Smith
E Balfour	Y Hill,Judson	Y Starr
Y Brown	Y Hooks	Y Staton
Y Bulloch	Y Hudgens	Y Stephens
Y Butler	Y Johnson	Y Stoner
Y Cagle	Y Jones	Y Tarver
Y Carter	Y Kemp	Y Tate
Y Chance	Y Me V Bremen	Y Thomas,D
Y Chapman	E Miles	Y Thomas,R
Y Douglas	Y Moody	Y Thompson,C
Y Fort	Y Mullis	Y Thompson,S
Y Goggans	Y Pearson	Y Tolleson
Y Golden	Y Powell	Y Unterman
Y Grant	Y Reed	Y Weber
Y Hamrick	Y Rogers	Y Whitehead
Y Harbison	Y Schaefer	Y Wiles
Y Harp	Y Seabaugh	Y Williams
Y Heath	Y Seay	Y Zamarripa
Y Henson	Y Shafer,D	

On the passage of the bill, the yeas were 54, nays 0.

HB 1310, having received the requisite constitutional majority, was passed.

Senator Williams of the 19th moved that the Senate stand adjourned pursuant to HR 1834 until 10:00 a.m. Wednesday, March 22, 2006; the motion prevailed, and at 2:52 p.m. the President announced the Senate adjourned.